

**MINUTES OF THE
ECONOMIC DEVELOPMENT AND REVENUE
APPROPRIATIONS SUBCOMMITTEE**

Room 215 Senate Office Building, State Capitol Complex

February 9, 2009

Members Present: Sen. Ralph Okerlund, Co-Chairman
Rep. Sheryl Allen, Co-Chairman
Sen. Gene Davis
Sen. Sheldon Killpack
Rep. Julie Fisher
Rep. Chris Herrod
Rep. Christine Johnson
Rep. Todd Kiser

Members Excused: Rep. Jackie Biskupski

Staff Present: Dr. Andrea Wilko, Chief Economist
Dr. Thomas Young, Economist
Jennifer Eyring, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Allen called the meeting to order at 2:11 p.m.

Rep. Brad Winn spoke to the committee about his concerns for economic development in rural Utah. He suggested that the things most needed in rural Utah are infrastructure, venture capital, vision and leadership. He asked the committee to do what it can to facilitate these items. Questions from the committee were addressed.

Sen. Okerlund commented on the challenges of rural economic development and suggested the committee look carefully at those needs.

MOTION: Rep. Fisher moved to approve the minutes from the meetings of February 2, 2009 and February 4, 2009. The motion was approved unanimously with Rep. Biskupski and Rep. Herrod absent for the vote.

Dr. Andrea Wilko provided the committee with Budget Briefs for the Office of Tourism and the Utah Sports Authority. Handouts of the base budget that incorporate changes from HB 3 were provided and discussed. The committee will be finalizing their recommendations including a prioritization list in the coming meetings. The Office of Tourism manages the Motion Picture Incentive Fund and the Tourism Marketing Performance Fund. HB 3 reduced the available amount of earmarked sales tax funds to be allocated for FY2010 to \$9 million.

Office of Tourism

Leigh von der Esch, Managing Director, Office of Tourism, introduced the following:

Tracie Clayford, Deputy Director, Communications and Operations

Dave Williams, Deputy Director, Marketing and Research

Matt Morgan, Visual Program Specialist

Danny Richardson, Executive Director, Utah Tourism Industry Coalition

Kim McClelland, Chair, Utah Tourism Board

Barbara Riddle, President and CEO, Davis Area Convention and Visitors Bureau

Mike Deaver, Utah Sports Commission

A slide presentation giving an overview of the Office of Tourism was shown to the committee. The mission, program areas, advertising, and marketing budget were outlined. Two popular advertising spots were shown. The effectiveness of the advertising campaigns was reviewed. In response to committee questions, the method of allocating funds, the variety of advertising options, innovative advertising ideas, and cooperative marketing were further explained.

Barbara Riddle commented on the support from the Utah Office of Tourism and the benefits of the cooperative marketing funding. Antelope Island State Park has been a beneficiary of expanded media attention, due to the funding.

Leigh von der Esch spoke about the marketing partnership with Delta Airlines and the new international non-stop flights. Utah has also received publicity through articles from around the world and TV programs highlighting the state. The marketing results were outlined, including traveler spending, state and local taxes received, travel related employment, return on investment, and numbers of domestic and international visitors to the state. The Tourism Office works with a variety of partners to promote Utah.

Kim McClelland, Chair, Utah Office of Tourism Board, thanked the committee for their support in the past and stated that the board works to use the money wisely to promote economic growth in the state. He believes that continued funding would help build on the current momentum and create an economic bright spot in the Utah economy. Marketing in the current economy was discussed.

Dr. Wilko clarified how the funding works for the Tourism Marketing Performance Fund.

Leigh von der Esch continued the presentation with methods to maximize available funding. Items highlighted were hyper-links to hot deals and partners, an interactive vacation planning website, more focused marketing through database knowledge, strong negotiation, and increased media attention in newspapers, magazines and television. Non-lapsing authority was requested. Packets sent out to students requesting information about the state were shown and informational materials were given to the committee.

Utah Film Commission

Marshall Moore, Director, Utah Film Commission, introduced Ricky Flores, Mimi Davis-Taylor, Trevor Snarr and Derek Mellus, of the Utah Film Commission. The Commission markets the state as a film location and administers the Motion Picture Incentive Fund. Incentives are post performance rebates. Films produced through the Fund over the last 4 years were reviewed, along with the economic impact and jobs created. The Commission would like to attract a TV series production. They also work to develop relationships with producers so they will return to film in Utah again. Questions from the Committee were addressed by the presenters and committee staff. It was emphasized that film projects coming into the state hire local people.

Utah Sports Authority

Bill Colbert, Pete Suazo Utah Athletic Commission, stated that there is increased interest in martial arts events and that more are being held in areas outside the Wasatch front. Southern Utah is a growing market. Non-lapsing authority and use of dedicated credits was requested. Upcoming events were noted. Questions concerning boxing and mixed martial arts were discussed. The committee expressed concern about mixed martial arts. Mr. Colbert elaborated on these events and the Commission's role in supervising events. Leslie Reberg has been appointed as a Commissioner.

Rep. Allen outlined the agenda for Thursday's meeting.

Dr. Wilko explained the budget pages that were distributed to the Committee. The Committee will be voting on the base budget for FY2010 and other budget items. It was recommended that the Committee target non-lapsing authority requests for the specific need. The Committee will also need to prioritize a list of further reductions to bring the FY2010 reduction amount back to the required 15%.

Rep. Allen requested the committee members review the list and talk with the Chairs about their preferences.

Dr. Wilko discussed Wednesday's meeting agenda which will include a presentation from USTAR and other requests for appropriations.

MOTION: Rep. Johnson moved to adjourn the meeting. The motion was approved unanimously with Rep. Biskupski absent for the vote.

Rep. Allen adjourned the meeting at 4:18 p.m.

Sen. Ralph Okerlund, Co-Chair

Rep. Sheryl L. Allen, Co-Chair